

1 23. Defendants deny the allegations in paragraph 26,
2 except admit that Pacific Bell Extra's advertisements state that
3 so long as a customer meets minimum criteria the awards program
4 provides credit for bill charges regardless of the charging
5 service provider. Defendants further admit that Exhibits 2 and 3
6 referred to in paragraph 26 are reduced copies of a direct mail
7 flyer and advertisements as alleged in paragraph 26.

8
9 24. Defendants deny the allegations in the first
10 sentence of paragraph 27. Defendants admit the allegations in
11 the second through fourth sentences of paragraph 27.

12
13 25. Defendants admit on information and belief the
14 allegations in the first sentence of paragraph 28. Defendants
15 deny the allegations in the second sentence of paragraph 28.

16
17 26. Defendants deny the allegations in paragraph 29.

18
19 27. Defendants deny the allegations in paragraph 30.

20
21 28. Defendants admit the allegations in paragraph 31,
22 but denies that the release alleged therein "occupies but a small
23 portion of the total space of the print ad."

24
25 29. Defendants deny the allegations in paragraph 32.

26
27 30. Defendants deny the allegations in paragraph 33,
28 except admit that the billing agreements alleged therein impose

1 certain reciprocal obligations and restrictions regarding the use
2 of proprietary information as defined therein. Defendants
3 further admit that the plaintiff has not authorized use of
4 proprietary information, as defined in the billing agreements,
5 except as provided for and required by the billing agreements.

6
7 31. Defendants deny the allegations in paragraph 34,
8 except admit that the plaintiff has not consented to use of
9 proprietary information, as defined in the billing agreements,
10 except as provided for and required by the billing agreements.

11
12 32. Defendants deny the allegations in paragraph 35.

13
14 * * * *

15
16 33. Defendants are without knowledge or information
17 sufficient to form a belief as to the truth of the allegations in
18 paragraph 36, and on that basis, denies those allegations, except
19 Defendants admit that the billing agreements alleged therein
20 impose certain reciprocal obligations and restrictions regarding
21 the use of proprietary information as defined therein.

22
23 34. Defendants admit the allegations in paragraph 37,
24 except Defendants deny that Pacific Bell's charges to its
25 customers are made possible by the billing agreements alleged
26 therein.

1 35. Defendants are without knowledge or information
2 sufficient to form a belief as to the truth of the allegations in
3 paragraph 38, and on that basis, deny those allegations, except
4 Defendants admit on information and belief that the plaintiff has
5 invested resources in the creation of its billing system.

6
7 36. Defendants deny the allegations in paragraphs 39
8 and 40.

9
10 37. Defendants are without knowledge or information
11 sufficient to form a belief as to the truth of the allegations in
12 paragraph 41, and on that basis, deny those allegations.

13
14 38. Defendants admit the allegations in the first
15 sentence of paragraph 42. Defendants are without knowledge or
16 information sufficient to form a belief as to the truth of the
17 allegations in the second sentence of paragraph 42, and on that
18 basis, deny those allegations.

19
20 39. Defendants admit the allegations in paragraph 43.

21
22 FIRST CLAIM FOR RELIEF

23
24 40. Answering paragraph 44, Defendants reallege their
25 answers to paragraphs 1-43.

26
27 41. Defendants admit the allegations in paragraph 45.

28

1 42. Defendants deny the allegations in the first
2 sentence of paragraph 46, except admit that under the 1996
3 Telecommunications Act, Bell Operating Companies and local
4 exchange carriers can create required affiliates to provide long
5 distance services, and Defendants further allege that prior to
6 the 1996 Telecommunications Act Pacific Bell became authorized to
7 provide information services. Defendants admit the allegations
8 in the second and third sentences of paragraph 46.

9
10 43. Defendants are without knowledge or information
11 sufficient to form a belief as to the truth of the allegations in
12 paragraph 47, and on that basis, denies those allegations.

13
14 44. Defendants admit the allegations in paragraph 48.

15
16 45. Defendants admit the allegations in the first
17 sentence of paragraph 49. Defendants deny the allegations in the
18 second sentence of paragraph 49, except admit that the
19 information received by Pacific Bell from the plaintiff is
20 subject to use restrictions as enunciated in the billing
21 agreements and is proprietary to the extent provided in the
22 billing agreements and applicable law.

23
24 46. Defendants admit the allegations in paragraph 50.

25
26 47. Defendants deny the allegations in paragraph 51.

1 48. Defendants deny the allegations in paragraphs 52
2 and 53, and deny that the plaintiff was injured or damaged in any
3 sum, or at all.

4

5

SECOND CLAIM FOR RELIEF

6

7

49. Answering paragraph 54, Defendants reallege their
8 answers to paragraphs 1-53.

9

10

50. Defendants deny the allegations in paragraphs 55
11 and 56.

12

13

51. Defendants deny the allegations in paragraphs 57
14 through 59, and deny that the plaintiff and the public was
15 injured or damaged in any sum, or at all.

16

17

THIRD CLAIM FOR RELIEF

18

19

52. Answering paragraph 60, Defendants reallege their
20 answers to paragraphs 1-59.

21

22

53. Defendants deny the allegations in paragraphs 61
23 through 64.

24

25

54. Defendants deny the allegations in paragraphs 65
26 and 66, and deny that the plaintiff and the public was injured or
27 damaged in any sum, or at all.

28

FOURTH CLAIM FOR RELIEF

55. Answering paragraph 67, Defendants reallege their answers to paragraphs 1-66.

56. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 68, and on that basis, deny those allegations.

57. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 69, and on that basis, deny those allegations, except Defendants admit that the information received by Pacific Bell from the plaintiff is subject to use restrictions as enunciated in the billing agreements.

58. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 70, and on that basis, deny those allegations.

59. Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 71, and on that basis, deny those allegations, except Defendants admit that the information received by Pacific Bell from the plaintiff is subject to use restrictions as enunciated in the billing agreements.

1 60. Defendants deny the allegations in paragraphs 72
2 and 73.

3
4 61. Defendants deny the allegations in paragraphs 74
5 and 75, and deny that the plaintiff was injured or damaged in any
6 sum, or at all.

7
8 FIFTH CLAIM FOR RELIEF

9
10 62. Answering paragraph 76, Defendants reallege their
11 answers to paragraphs 1-75.

12
13 63. Defendants are without knowledge or information
14 sufficient to form a belief as to the truth of the allegations in
15 paragraph 77, and on that basis, denies those allegations.

16
17 64. Defendants deny the allegations in paragraph 78.

18
19 65. Defendants deny the allegations in paragraphs 79
20 and 80, and deny that the plaintiff was injured or damaged in any
21 sum, or at all.

22
23 SIXTH CLAIM FOR RELIEF

24
25 66. Answering paragraph 81, Defendants reallege their
26 answers to paragraphs 1-80.

27
28 67. Defendants admit the allegations in paragraph 82.

1 68. Defendants deny the allegations in paragraphs 83
2 and 84.

3
4 69. Defendants deny the allegations in paragraph 85,
5 and deny that the plaintiff was injured or damaged in any sum, or
6 at all.

7 SEVENTH CLAIM FOR RELIEF

8
9 70. Answering paragraph 86, Defendants reallege their
10 answers to paragraphs 1-85.

11
12 71. Defendants deny the allegations in paragraph 87.

13
14 AFFIRMATIVE DEFENSES OF DEFENDANT PACIFIC

15
16 1. As a First Affirmative Defense to each claim in
17 the plaintiff's Complaint, Defendants allege that the Complaint
18 fails to state any claim upon which relief can be granted.

19
20 2. As a Second Affirmative Defense to each claim in
21 the plaintiff's Complaint, Defendants allege that each of them
22 fulfilled any and all obligations imposed upon them by 47 U.S.C.
23 Section 222 and all related Sections.

24
25 3. As a Third Affirmative Defense to each claim in the
26 plaintiff's Complaint, Defendants allege that each of them
27 performed all obligations on their part to be performed except
28 those obligations they were excused from performing, and that by

1 reason thereof, the plaintiff is barred from any recovery from
2 Defendants.

3

4 4. As a Fourth Affirmative Defense to each claim in
5 the plaintiff's Complaint, Defendants allege that they did not
6 improperly disclose proprietary information received or obtained
7 from or belonging to the plaintiff.

8

9 5. As a Fifth Affirmative Defense to the Fifth and
10 Sixth claims in the plaintiff's Complaint, Defendants allege that
11 no privity of contract exists between the plaintiff and
12 Defendants Pacific Telesis Group, Pacific Bell Extras or Pacific
13 Bell Communications.

14

15 6. As a Fifth Affirmative Defense to the Third, Fourth
16 and Seventh claims in the plaintiff's Complaint, Defendants
17 allege that the claims are barred by the doctrine of federal
18 preemption.

19

20 7. As a Fifth Affirmative Defense to the First claim
21 in the plaintiff's Complaint, Defendants allege that the
22 plaintiff is without standing to sue these Defendants.

23

24 WHEREFORE, Defendants prays for judgment as follows:

25 (a) Plaintiff Sprint be awarded nothing in the above
26 captioned action, and the action be dismissed;

27 (b) Judgment be entered in favor of Defendants;

28 (c) Defendants be awarded costs of this suit; and

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(d) Such other relief as the Court deems appropriate.

DATED: May 28, 1996

PACIFIC TELESIS LEGAL GROUP
BOBBY C. LAWYER
WALID S. ABDUL-RAHIM

By: 
WALID ABDUL-RAHIM

Attorneys for Defendants
PACIFIC BELL, PACIFIC TELESIS
GROUP, PACIFIC BELL EXTRAS and
PACIFIC BELL COMMUNICATIONS

1 PROOF OF SERVICE BY MAIL

2 Re: Sprint Communications, et al. v. Pacific Bell, et al.
3 U.S.D.C. - N.D. Court Action No. C 96-1692 SBA

4 I, JENNIFER S. NEWMAN, declare that:

5 I am over the age of eighteen years, not a party to the
6 within action, and employed in the City and County of
7 San Francisco, California. My business address is Pacific
8 Telesis Legal Group, 140 New Montgomery Street, Room 1021,
9 San Francisco, California 94105.

10 I am readily familiar with our practice for collection and
11 processing of correspondence and documents for mailing. Under
12 that practice, in the ordinary course of business, correspondence
13 and documents are deposited, postage fully prepaid, with the
14 United States Postal Service on the same day they are collected
15 and processed.

16 On the date specified below, I served the foregoing JOINT
17 ANSWER OF DEFENDANTS PACIFIC BELL, PACIFIC TELESIS GROUP, PACIFIC
18 BELL EXTRAS AND PACIFIC BELL COMMUNICATIONS TO COMPLAINT OF
19 SPRINT on the person(s) listed below by placing a true copy
20 thereof enclosed in a sealed envelope with postage thereon fully
21 prepaid, in the United States mail at San Francisco, California,
22 in accordance with our ordinary practices, addressed as follows:

23
24 McCUTCHEN, DOYLE, BROWN & ENERSEN, LLP
25 TERRY J. HOULIHAN
26 REBECCA A LENABURG
27 STEPHANIE SIMONDS LAMARRE
28 HARVEY J. ANDERSON
LAURA MAZZARELLA
Three Embarcadero Center
San Francisco, CA 94111-4066

FILED

MAY 28 1996

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

ATT COMMUNICATIONS OF
CALIFORNIA, INC. and
MCI TELECOMMUNICATIONS
CORPORATION,

Plaintiffs,

vs.

PACIFIC BELL, ET. AL.

Defendant.

SPRINT COMMUNICATIONS
COMPANY L.P.

Plaintiffs,

vs.

PACIFIC BELL, ET. AL.

Defendant.

C96- 1691 SBA (MEJ)

ORDER DENYING PLAINTIFFS'
EXPEDITED MOTION FOR
DISCOVERY.

Related Case C96- 1692 SBA (MEJ)

On May 21, 1996, Plaintiffs in the above entitled actions filed an Ex Parte Application for Order Permitting Expedited Discovery And Modification of Briefing Schedule. On May 24, 1996, the Honorable Sandra Brown Armstrong granted in part Plaintiff's ex parte motion, and ordered that (1) Plaintiff's Application for Preliminary Injunction be filed by June 4, 1996; (2) all other dates set by the Court on May 14, 1996, remained in effect; and (3) referred Plaintiffs' request for expedited discovery to Magistrate Judge James.

Plaintiffs' request that the Court allow Plaintiff to conduct ten (10) depositions, each consisting of one-half day and order subpoenas for limited production of relevant, requested documents in the deponents possession, to be produced not less than 24-hours prior to each deposition.

1 Having considered the moving papers submitted by Plaintiff, Defendants opposition
2 papers, statutory and case law authority, the Court finds that Plaintiffs' need to properly prepare
3 the application for the preliminary injunction by the June 4, 1996 deadline, does not meet the
4 "urgent need" requirement, as set forth by Stanley v. University of Southern California, 13 F.3d
5 1313, 1326 (9th Cir. 1994).

6 Furthermore, the urgency asserted by Plaintiffs is the result of Plaintiffs' own action.
7 The Court notes that the preliminary injunction hearing is scheduled to be held on July 2, 1996.
8 This date was assigned in accordance with Civil L. R. 7-2, which requires that a motion is
9 calandared 35 days after service of the motion. Plaintiffs' filed the motion for a temporary
10 restraining order on May 7, 1996, when they filed the complaint. In its order of May 14, 1996,
11 the District Court calandared the application for preliminary injunction accordingly.


12 Moreover, Plaintiffs' moving papers fail to explain to this Court how the discovery
13 directly pertains to the issues relevant to the preliminary injunction.

14 Finally, the Court finds that in the balancing of equities, the discovery requested by
15 Plaintiffs is much too broad, too vague, and unduly burdensome on Defendant at this juncture
16 of the litigation with no hardships weighing in Plaintiffs' favor.

17 For the reasons stated above, the Court HEREBY DENIES Plaintiffs' request for
18 expedited discovery.

19
20 IT IS SO ORDERED.

21 DATED: May 28, 1996

22 
23 MARIA ELENA JAMES
24 United States Magistrate Judge
25
26
27
28

COPY

1 PACIFIC TELESIS LEGAL GROUP
BOBBY C. LAWYER (115017)
2 WALID S. ABDUL-RAHIM (141940)
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3 San Francisco, California 94105
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4 Facsimile: (415) 882-4458

ORIGINAL
FILED

MAY 28 1996

5 Attorneys for Defendants
PACIFIC BELL, PACIFIC TELESIS GROUP,
6 PACIFIC BELL EXTRAS and
PACIFIC BELL COMMUNICATIONS

RICHARD W. WIEKING
CLERK U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND

8 UNITED STATES DISTRICT COURT

9 NORTHERN DISTRICT OF CALIFORNIA - OAKLAND DIVISION

10

11 AT&T COMMUNICATIONS OF)	CASE NO. C 96-1691 SBA
CALIFORNIA, INC., a California)	
12 corporation, and MCI)	
TELECOMMUNICATIONS)	JOINT ANSWER OF DEFENDANTS
13 CORPORATION, a Delaware)	PACIFIC BELL, PACIFIC TELESIS
corporation,)	GROUP, PACIFIC BELL EXTRAS AND
14)	PACIFIC BELL COMMUNICATIONS TO
Plaintiffs,)	COMPLAINT OF AT&T AND MCI
15)	
vs.)	(Related Action: C-96-1692 SBA)
16)	
PACIFIC BELL, a California)	
17 corporation; PACIFIC TELESIS)	
GROUP, a Nevada corporation;)	
18 PACIFIC BELL EXTRAS, a)	
California corporation; and)	
19 PACIFIC BELL COMMUNICATIONS, a)	
California corporation,)	
20)	
Defendants.)	
21)	

22

23 Defendants Pacific Bell, Pacific Telesis Group, Pacific
24 Bell Extras and Pacific Bell Communications answer the complaint,
25 filed May 10, 1996, by AT&T Communications of California, Inc.
26 ("AT&T") and MCI Telecommunications Corporation (MCI), as
27 follows:
28

1. Joint Answer of Pacific
to ATT/MCI Complaint

1 1. Defendants admit the allegations in paragraphs 1
2 through 4.

4 * * * *

6 2. Defendants are without knowledge or information
7 sufficient to form a belief as to the truth of the allegations in
8 the first sentence of paragraph 5, and on that basis, deny those
9 allegations. Defendants admit the allegations in the second
10 sentence of paragraph 5.

12 3. Defendants admit the allegations in paragraph 6.

14 4. Defendants admit the allegations in the first and
15 third sentences of paragraph 7. Defendants are without knowledge
16 or information sufficient to form a belief as to the truth of the
17 allegations in the second sentence of paragraph 7, and on that
18 basis, deny those allegations, except Defendants admit that
19 Pacific Bell is a Bell Operating Company and telecommunications
20 carrier, is a local exchange carrier, and is authorized by the
21 California Public Utilities Commission, and provides
22 telecommunications services within its service areas in the State
23 of California.

25 5. Defendants admit the allegations in paragraph 8,
26 except Defendants deny that Pacific Bell Extras is engaged in the
27 business of marketing, promoting, and administering promotional
28

2. Joint Answer of Pacific
 to ATT/MCI Complaint

1 awards based on the services of Pacific Telesis Group or Pacific
2 Bell Communications.

3

4 6. Defendants admit the allegations in paragraph 9.

5

6

* * * *

7

8 7. Defendants admit the allegations in the first
9 sentence of paragraph 10. Defendants deny the allegations in the
10 second sentence of paragraph 10, except admit that the
11 Plaintiffs' service to their customers includes processing
12 subsequent to their customers' use of telecommunications
13 services. Defendants admit the allegations in the third sentence
14 of paragraph 10, except deny that the plaintiffs calculate "all
15 appropriate charges" according to each customer's service plans.

16

17 8. Defendants are without knowledge or information
18 sufficient to form a belief as to the truth of the allegations in
19 paragraph 11, and on that basis, deny those allegations, except
20 Defendants admit on information and belief that the plaintiffs
21 have invested resources in the creation of its billing system.

22

23 9. Defendants are without knowledge or information
24 sufficient to form a belief as to the truth of the allegations in
25 paragraph 12, and on that basis, deny those allegations.

26

27

28

3. Joint Answer of Pacific
to ATT/MCI Complaint

1 10. Defendants admit the allegations in paragraph 13,
2 and allege that the consolidated bill alleged therein is also
3 made possible by Pacific Bell billing tariffs authorized by the
4 California Public Utilities Commission, and that, in addition, a
5 lump sum charge appears on customers' bill which incorporates the
6 charges, if any, of the plaintiffs.

7
8 11. Defendants admit the allegations in paragraph 14.

9
10 12. Defendants deny the allegations in the first
11 sentence of paragraph 15, except admit that Defendants perform
12 certain billing and collection functions per the billing
13 agreement alleged therein. Defendants admit the allegations in
14 the second sentence. Defendants deny the allegations in the
15 third and fourth sentences, except admit that Pacific Bell
16 collects AT&T's charges to its customers as a single balance due
17 to Pacific Bell.

18
19 13. Defendants deny the allegations in paragraph 16,
20 except admit that Pacific Bell charges AT&T on a monthly basis
21 for the services provided under the billing agreements.
22 Defendants further allege that if the combined monthly billing
23 amounts do not meet a specified annual minimum amount, Pacific
24 Bell charges AT&T the difference between the combined monthly
25 amounts and the specified annual minimum.

26
27
28

1 14. Defendants deny the allegations in paragraph 17,
2 except Defendants admit that "AT&T transmits the IDB information
3 to Pacific Bell, and Pacific Bell renders the bill, mails the
4 bill to customers, [and] collects the amount due."

5
6 15. Defendants admit the allegations in paragraph 18,
7 except deny the allegations in the sixth sentence of paragraph
8 18.

9
10 16. Defendants deny the allegations in paragraph 19,
11 except admit that the information transmitted from AT&T to
12 Pacific Bell is AT&T's confidential and proprietary information
13 to the extent provided in the billing agreements and applicable
14 law. Defendants further allege that the information referred to
15 in the second sentence of paragraph 19 is the proprietary
16 information of the customer.

17
18 17. Defendants are without knowledge or information
19 sufficient to form a belief as to the truth of the allegations in
20 paragraph 20, and on that basis, deny those allegations, except
21 Defendants admit that the billing agreement alleged therein
22 contains provisions governing the treatment of information
23 transmitted from AT&T to Pacific Bell, and further admit on
24 information and belief that AT&T designates some portion of such
25 information as "proprietary."

1 18. Defendants are without knowledge or information
2 sufficient to form a belief as to the truth of the allegations in
3 paragraph 21, and on that basis, deny those allegations.

4
5 19. Defendants admit the allegations in paragraph 22,
6 except Defendants deny that Pacific Bell is "prohibited from
7 disclosing AT&T's proprietary information to third parties"
8 without limitation, and further allege that the billing
9 agreements allow for the disclosure of such information under
10 certain circumstances.

11
12 20. Defendants deny the allegations in the first
13 sentence of paragraph 23, except admit that the billing
14 agreements alleged therein impose certain reciprocal obligations
15 and restrictions regarding the use of proprietary information as
16 defined therein. Defendants admit the allegations in the second
17 sentence of paragraph 23.

18
19 21. Defendants admit the allegations in the first
20 sentence of paragraph 24. Defendants deny the allegations in the
21 second sentence of the paragraph 24, except admit that the
22 billing agreement with MCI provides for the transmittal of MCI's
23 proprietary information to Pacific Bell, and further admit that
24 the billing agreements alleged therein impose certain reciprocal
25 obligations and restrictions regarding the use of proprietary
26 information as defined therein.

1 22. Paragraph 25 does not require a response.

2
3 * * * *

4
5 23. Defendants deny the allegations in the first
6 sentence of paragraph 26, except admit that Pacific Bell and
7 Pacific Bell Extras have "conceived, designed, and begun
8 promoting a rewards incentive program." Defendants admit the
9 allegations in the second sentence of paragraph 26, except deny
10 that Pacific Bell administers the program alleged therein, and
11 further admit that Pacific Bell Extras administers the program
12 alleged therein. Defendants admit the allegations in the third
13 sentence of paragraph 26.

14
15 24. Defendants deny the allegations in the first three
16 sentences of paragraph 27, except Defendants admit that Pacific
17 Bell and Pacific Bell Extras "sought to induce customers to
18 enroll in its program through an extensive advertising and
19 promotional campaign including television ads, in both English
20 and Spanish, and direct mail flyers." Defendants further admit
21 that Pacific Bell Extras "has run print ads throughout California
22 including here in the San Francisco Bay Area in the Chronicle
23 newspaper." Defendants further admit that Pacific Bell, on
24 behalf of Pacific Bell Extras, has sent direct mail flyers to
25 Pacific Bell's customers, some of whom may also be the
26 plaintiffs' customers. Defendants admit the allegations in the
27 fourth sentence of paragraph 27.

1 25. Defendants admit on information and belief the
2 allegations in the first sentence of paragraph 28. Defendants
3 deny the allegations in the second and third sentences of
4 paragraph 28.

5
6 26. Defendants deny the allegations in paragraph 29,
7 except admit that Pacific Bell Extra's advertisements state that
8 so long as a customer meets minimum criteria the awards program
9 provides credit for bill charges regardless of the charging
10 service provider. Defendants further admit that Exhibits 2 and 3
11 referred to in paragraph 29 are reduced copies of a direct mail
12 flyer and advertisements as alleged in paragraph 29.

13
14 27. Defendants deny the allegations in the first
15 sentence of paragraph 30. Defendants admit the allegations in
16 the second through fourth sentences of paragraph 30.

17
18 28. Defendants deny the allegations in paragraph 31.

19
20 29. Defendants deny the allegations in paragraph 32,
21 except admit that a customer's signature is a requirement for
22 enrollment in the awards program.

23
24 30. Defendants admit the allegations in paragraph 33,
25 but denies that the release alleged therein "occupies but a small
26 portion of the total space of the print ad."

27
28

1 31. Defendants deny the allegations in paragraph 34,
2 except admit that the billing agreements alleged therein impose
3 certain reciprocal obligations and restrictions regarding the use
4 of proprietary information as defined therein. Defendants
5 further admit that the plaintiffs have not authorized use of
6 proprietary information, as defined in the billing agreements,
7 except as provided for and required by the billing agreements.

8
9 32. Defendants deny the allegations in paragraph 35,
10 except admit that the plaintiffs have not consented to use of
11 proprietary information, as defined in the billing agreements,
12 except as provided for and required by the billing agreements.

13
14 33. Defendants deny the allegations in paragraph 36.

15
16 * * * *

17
18 34. Defendants are without knowledge or information
19 sufficient to form a belief as to the truth of the allegations in
20 paragraph 37, and on that basis, denies those allegations, except
21 Defendants admit that the billing agreements alleged therein
22 impose certain reciprocal obligations and restrictions regarding
23 the use of proprietary information as defined therein.

24
25 35. Defendants admit the allegations in paragraph 38,
26 except Defendants deny that Pacific Bell's charges to its
27 customers are made possible by the billing agreements alleged

28

1 therein. Defendants further allege that the "proprietary
2 information" referred to in the second sentence of paragraph 38
3 is the proprietary information of the customer.

4
5 36. Defendants are without knowledge or information
6 sufficient to form a belief as to the truth of the allegations in
7 paragraph 39, and on that basis, deny those allegations, except
8 Defendants admit on information and belief that the plaintiffs
9 have invested resources in the creation of its billing system.

10
11 37. Defendants deny the allegations in paragraphs 40
12 and 41.

13
14 38. Defendants are without knowledge or information
15 sufficient to form a belief as to the truth of the allegations in
16 paragraph 42, and on that basis, deny those allegations.

17
18 39. Defendants admit the allegations in the first
19 sentence of paragraph 43. Defendants are without knowledge or
20 information sufficient to form a belief as to the truth of the
21 allegations in the second sentence of paragraph 43, and on that
22 basis, deny those allegations.

23
24 40. Defendants admit the allegations in paragraph 44.

1 FIRST CLAIM FOR RELIEF

2
3 41. Answering paragraph 45, Defendants reallege their
4 answers to paragraphs 1-44.

5
6 42. Defendants admit the allegations in paragraph 46.

7
8 43. Defendants deny the allegations in the first
9 sentence of paragraph 47, except admit that under the 1996
10 Telecommunications Act, Bell Operating Companies and local
11 exchange carriers can create required affiliates to provide long
12 distance services, and Defendants further allege that prior to
13 the 1996 Telecommunications Act Pacific Bell became authorized to
14 provide information services. Defendants admit the allegations
15 in the second and third sentences of paragraph 47.

16
17 44. Defendants are without knowledge or information
18 sufficient to form a belief as to the truth of the allegations in
19 paragraph 48, and on that basis, denies those allegations.

20
21 45. Defendants admit the allegations in paragraph 49.

22
23 46. Defendants admit the allegations in the first
24 sentence of paragraph 50. Defendants deny the allegations in the
25 second sentence of paragraph 50, except admit that the
26 information received by Pacific Bell from the plaintiffs is
27 subject to use restrictions as enunciated in the billing
28